

Hollywood
Property Owners
Alliance
★★★

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Partners*

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Vice President
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Gatehouse Capital

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My Friend's Place

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Roosevelt Hotel

Nathan Korman
NBK, LLC

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*Hollywood Media
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Jan Martin
AMDA

Ron Radachy
Oasis of Hollywood

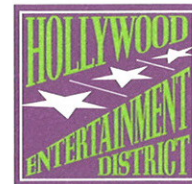
Hilary Royce
*Church of
Scientology
International*

Tej Sundher
*Hollywood Guinness
Museum*

John Tronson
*Tronson Investment
Group*

Monica Yamada
CIM Group, Inc.

★★★
Kerry Morrison
Executive Director



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April 29, 2009

TO: Glenn Robison
Office of the City Clerk

FROM: Kerry Morrison
Executive Director
Hollywood Property Owners Alliance

A handwritten signature in blue ink, likely belonging to Kerry Morrison, the Executive Director of the Hollywood Property Owners Alliance.

SUBJECT: First Quarter Report
January 1, 2009 through March 31, 2009

As is required in our Agreement with the City of Los Angeles, I am submitting our First Quarter Report to summarize key activities of the Hollywood Entertainment District.

I. Operational Issues

- The association successfully transferred its deposits from First Regional Bank to Wells Fargo Bank, to launch the new year and the new BID. A \$250,000 line of credit was secured with Wells Fargo to serve as a bridge between the start of the new year and the arrival of the first check, but that was not required as the first installment arrived in the third week in January.
- A new stakeholder in the BID had initiated a lawsuit against the city for being included in the District on account that his property is under rent control, and he cannot pass through the assessments to his tenants. The City Clerk's office encouraged him, through his attorney, to file an application for a rent increase, and the suit has been set aside for the time being.
- At the February meeting, the board was informed that the landlord, M+S Management, had inaccurately calculated the rent for the two offices for the coming year. The new rent will be \$1.72 psf, and a negative variance will occur in the rent budget to the tune of \$4,900 in the coming year (increase from \$27,474 to \$32,384).
- A handful of assessment adjustments were submitted to the City Clerk's office prior to March 1. One involved the reconciliation of various parcels impacted by the complicated ownership arrangements on the Metro/Gatehouse/Legacy block at Hollywood and Vine.

- Staff participated in a February meeting organized by the CRA to present information to Assemblymember Kevin DeLeon as to how a potential state action to tap CRA coffers to help balance the state budget would impact local economic development efforts.
- The board authorized the Treasurer to work with staff and RBZ on a scheme to diversify the BID's deposits into brokered CD's or other insured arrangements offered by Wells Fargo.

II Security

- The HPOA served as an organizer of the bi-annual Homeless Count for the Los Angeles Homeless Services Authority (LAHSA). The count was held on the night of January 29, and over 150 volunteers were recruited to count homeless people in 28 census tracts.
- Subsequent to the Homeless Count, a night was set aside (March 18, 2009) whereby 50 volunteers were recruited to conduct in-field interviews of homeless people for LAHSA as the second phase of the Homeless Count.
- Andrews International purchased two T-3 vehicles for use by officers in both BIDs they patrol. The vehicles allow for greater mobility and visibility.
- With the help of BID security, staff presented information about the names and locations of 20 chronically homeless people who seem particularly vulnerable due to their health and/or mental health situation. The county will attempt to send out trained workers to interview these individuals for possible linkage with county mental health resources.
- The HED board authorized a \$2,500 contribution toward the upcoming Project YIMBY Homeless Connect Day, which will be held on June 25, 2009 at the Music Box. The day is focussed on invited Hollywood's homeless community into one place where they can be linked with service providers. The funds will come from the Security Contingency budget.
- On January 27, staff participated in a meeting with Captain Jerry Perez, of the General Services Police, and Andrews International representatives. This meeting was organized by the City Clerk's office. At issue was the heretofore unwillingness of the LA City library (on Ivar) to take advantage of BID security services. A subsequent meeting on this topic was held in March with the librarian and a regional manager. Ground rules for how BID security would be engaged were discussed and the meetings were productive.

III Streetscape Issues

- The new contract with Clean Street was signed and new services launched in the expanded BID territory. As an incentive for signing a three-year

contract, the HED was awarded an additional \$25,000 worth of pressure washing a year, on an as-needed (staff directed) basis. Additionally, in the new BID areas, an "initial clean up" was conducted during the month of January, and trash cans were deployed to new boundary extension areas.

- A meeting was held with owners of property surrounding the "Cosmo Alley," as one of the first efforts at alley improvement in the new BID. (Since that time, the alley has been referred to as the "East Cahuenga Corridor Alley" or ECCA.) The city of Los Angeles is committed to undertaking an engineering study, to determine paving, drainage and utility needs for this alley, in order to support the council district's desire to turn this into a "pedestrian mall." The meeting was held on January 27, 2009 at Space 1520 and the effort was well-received. A smaller steering committee was organized to guide the process with the city.
- The Steering Committee for ECCA met on March 4 and logistical details were outlined to begin the process of working with the city and the CRA on the pedestrian mall concept. Additionally, a Coro Fellow was retained for five weeks to assist in research related to the alley, and also related to trash consolidation issues for the overall BID.
- The HPOA Board directed staff to find a way to engage the HED stakeholders more fully in the CRA's current update to the Urban Design Plan. A small focus group with board members was held at the HPOA office on January 21, 2009 with the CRA and their consultant, John Kaliski. It was determined that a full session be conducted to which all HED stakeholders would be invited to ensure that the perspective of property owners is included in the plan update. Staff began planning meetings with CRA staff and City Planning staff to prepare for a property owner meeting scheduled for April.
- Staff has been involved in meetings with the CRA in preparation for a Cal Trans grant that will ultimately provide for the removal of the final Ficus Trees on Hollywood Boulevard and planting of Mexican Fan Palms.
- A request for proposal was released for landscape companies to provide bids to trim the trees on the Walk of Fame. The trimming is planned for Q2.
- A lunch with the entire Clean Street crew was organized at Los Burritos restaurant on January 22. This is a periodic opportunity taken to express appreciation for their work, and to provide them with an update on BID activities and priorities. This was a good opportunity to reinforce the new areas served with the launch of the expanded BID this year.
- On January 26, Kerry Morrison participated in a meeting at the Public Works conference room at City Hall to discuss potential newsrack registration fee increases proposed in the new city budget.

IV Marketing Issues

- The new website, www.navigatehollywood.com, went live on January 29, 2009 with a virtual press conference headed by Council President Eric Garcetti. News coverage surrounding the launch of the website aired on a handful of television newscasts, as well as in several dozen print and online news mediums.
- Staff participated in the Hollywood Chamber of Commerce's Academy Awards Media Center to further promote the Navigate Hollywood website to local, national and international media.
- A business plan for Navigate Hollywood was presented to the Board in March, and outlined a plan by which ongoing operations and web-hosting costs would be born by advertising and sponsorships. The HPOA Board granted a \$5,000 "loan" to Navigate Hollywood to support this process, given that new revenues were not anticipated to accrue until Q3 of the calendar year. (Note: these funds come from the HPOA account, and are not BID assessment funds.)
- The "Hail a Taxi" pilot program, originally adopted for a three month trial, was extended for another year (through end of 2009). Staff participated in a meeting with Council District 13 and the Hollywood Chamber of Commerce to develop a "Hail a Taxi" signage campaign, by which signs promoting the Hail a Taxi program will be posted throughout Hollywood for a 3-month period his summer.
- The new Marketing Committee for the HED held its first meeting in February.
- Working in conjunction with the Chamber, staff participated in a meeting on March 5, to which all Hollywood area post-secondary schools were invited. Called "Hollywood as a Campus," the meeting kicked off an initiative to link the various schools together in mutual ways to promote the wider awareness of the campus experience for students in Hollywood. At the first meeting, potential collaborative opportunities for student housing, transportation, food discounts and the like were discussed.
- Staff participated in Council District 13's monthly Construction Committee meetings in effort to keep abreast of the various construction plans for the neighborhood; and hep mitigate the community impacts.
- Staff participated in Council District 13's monthly Street Closure Committee meetings in effort to have a say in what street closures do/do not take place in Hollywood.

- Staff participated in the Hollywood Chamber of Commerce's monthly Tourism Committee meetings to help come up with solutions to further promote tourism in Hollywood.
- On March 16, the United Way organized a meeting with a USC researcher, Dr. Michael Cousineau, who has been retained to conduct research on the costs of allowing homeless people to languish on the street, as opposed to placing them in permanent supportive housing. Dr. Cousineau may access a case study out of Hollywood for his research.

VI. OTHER

- Kerry Morrison participated as a guest speaker at the Step up on Second Board retreat on January 10, 2009. Step up is considering investing in property to build permanent supportive housing for the homeless in Hollywood.
- On February 25, HED hosted Larry Frank, the Deputy Mayor for Community Affairs, and Fabiola Vilchez (Hollywood representative) and Rochelle Silsbee (business team member) for an update on Hollywood issues and a walking tour of the ECCA alley.
- Morrison participated in a kick off meeting for the Walk of Fame 50th anniversary (2010) on February 26 at the Chamber. The BID will be a full participant in this campaign.
- Joe Mariani and Brian Barth attended a BID "Best Practices" Seminar, sponsored by the City Clerk's office on February 25, 2009 at City Hall. Kerry Morrison was a speaker at this event, on the topic of board relationships.
- Kerry Morrison testified at a Housing and Economic Development Committee meeting at City Hall in support of the a Scattered Sites housing program (20 apartments to be made available to homeless people in Hollywood) that will be administered by PATH. The awarding of this contract has been delayed for many months by an appeal filed by a competitive agency who was not awarded the contract by the city housing department.
- On March 28, Morrison attended a day-long planning retreat of the Hollywood Chamber of Commerce in Newport Beach.

Hollywood Property Owners Alliance

Annual Limits & Year-To-Date Totals Quarter Ending March 31, 2009

BUDGET LINE ITEM	ANNUAL BUDGET	REVENUE TO DATE	AMOUNT SPENT 1st QTR	AMOUNT YEAR-TO-DATE	PROJECTED SPENDING FOR REMAINDER OF THE YEAR	EXPLANATION OF VARIANCE
Assessment Income	3,381,641	1,532,753	-	-		
City Fees	33,558		34,022	34,022	-	
Contingency	30,000		8,000	8,000	22,000	
Administration	167,520		33,182	33,182	134,338	
Security	1,600,000		307,973	307,973	1,292,027	
Maintenance	985,000		213,959	213,959	771,041	
Personnel	314,500		78,706	78,706	235,794	
ED&C/Marketing	100,000		8,529	8,529	91,471	
TOTAL	3,230,578	1,532,753	684,371	684,371	2,546,671	

Other income (not included above):

DWP Grant

Penalty

Interest-LA City

Interest-other

Total other income 1st Quarter 2008

1,523.00

1,523.00